

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

IN RE:)	
)	
TRILOGY DEVELOPMENT COMPANY, LLC,)	Case No: 09-42219
Debtor.)	Chapter 11

MOTION FOR FOURTH EXTENSION OF POST-PETITION FINANCING

COMES NOW Debtor Trilogy Development Company, LLC, by and through undersigned counsel, and for its Motion for Fourth Extension of Post-Petition Financing, states as follows:

I. SUMMARY OF PROPOSED EXTENDED POST-PETITION FINANCING TERMS

1. The proposed terms of this requested extension of post-petition financing are as follows:

- A. Parties: Trilogy Development Company, LLC (the “Debtor”) as debtor-in-possession and borrower and BB Syndication Services, Inc. (the “Lender”) as post-petition lender.
- B. Principal Amount: In connection with this requested extension (the “Fourth Extension”) of the post-petition financing, no additional capital is sought to fund the budget attached hereto as Exhibit “1” (the “Budget”).
- C. Maturity: the pre-existing financing comprised of
 - (i) the original post-petition financing of \$800,000 (the “Original Financing”) arising out of the Motion for Entry of Interim and Final Orders (A) Authorizing Post-Petition Financing and (B) Request for Scheduling Hearings on Interim and Final Approval (the “Financing Motion”), filed June 25, 2009 (Doc. #42)

and approval of same by the Interim Order (Doc. #52) and Final Order (Doc. #61),

- (ii) the additional financing of \$400,000 (the “Additional Financing”) arising out of the Motion for Extension of Post-Petition Financing and Increase of Borrowing Limit (Doc. #74) and Order Approving Extension of Post-Petition Financing and Increase of Borrowing Limit (Doc. #79) entered on October 15, 2009 (the “Additional Financing Order”),
- (iii) the additional financing of \$700,000 (the “Second Additional Financing”) arising out of the Motion for Second Extension of Post-Petition Financing and Increase of Borrowing Limit (Doc. #97) and Order Approving Second Extension of Post-Petition Financing and Increase of Borrowing Limit (Doc. #105) entered on December 16, 2009 (the “Second Additional Financing Order”), and
- (iv) the additional financing of \$500,000 (the “Third Additional Financing”) arising out of the Motion for Third Extension of Post Petition Financing and Increase of Borrowing Limit (Doc. #130), and Order Approving Third Extension of Post-Petition Financing and Increase of Borrowing Limit (Doc. #134) entered on February 23, 2010 (the “Third Additional Financing Order”)

shall be repaid on the earlier of (i) August 31, 2010 or (ii) the occurrence of a Termination Event as defined in the Final Order.

- D. Remaining Terms: If the Debtor receives any tax refund, such refund shall be repaid to Lender, and, so long as a Termination Event has not occurred, shall be advanced to the Debtor to fund the Budgeted expenses through and including August 31, 2010. Except for the foregoing, all other terms and conditions of this Fourth Extension shall be the same as set forth in Section I, "Summary of Proposed Post-Petition Financing Terms", of the Financing Motion and approved in the Final Order.

II. BACKGROUND

2. On May 15, 2009, Debtor filed its voluntary Petition under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Code"). Debtor retains possession of its property and control of its affairs pursuant to 11 U.S.C. §§ 1107 and 1108.

3. Debtor's business consists of the ownership and operation of a substantial real estate development located in the Plaza area of Kansas City, Missouri and described as the West Edge Project (the "Project"). The Project is a mixed use development consisting of a hotel and office building with a parking structure. This development entails a variety of construction and financial issues which precipitated the bankruptcy filing and involves a significant number of other parties.

4. Debtor's principal source of financing derived from that certain pre-petition Construction Loan Agreement, dated March 27, 2006, with Lender (the "Prepetition Credit Agreement") which provided the funding for construction of the Project. The indebtedness and obligations of the Debtor to Lender under the Prepetition Credit Agreement and all related notes, instruments, agreements, and other documents are hereinafter referred to collectively as the "Prepetition Indebtedness." The Prepetition Indebtedness is secured by essentially all of Debtor's assets which primarily consist of the land and improvements comprising the Project

Debtor's assets which primarily consist of the land and improvements comprising the Project (the "Prepetition Collateral"). Various contractors and material men have asserted mechanic liens under Missouri law, some of which are subject to challenge. Marshall & Ilsley Bank ("M&I Bank") asserts a junior lien against the Prepetition Collateral.

5. Protection of the Project and preservation of its value are paramount issues in this case. An ongoing need exists for the Debtor to obtain sufficient post-petition financing with which to continue its operations, acquire goods and services, and pay other necessary and ordinary business expenses. Specifically, Debtor requires the funds necessary to address and discharge such vital needs as the expenses for a) continuous insurance coverage, b) security personnel and alarm systems to safeguard the Project, and c) ongoing repairs and maintenance at the Project.

III. POST-PETITION FINANCING

6. In the aftermath of the bankruptcy filing, Debtor, by and through counsel, commenced good faith negotiations with Lender and its counsel to secure post-petition financing to address the foregoing expenses. The parties ultimately reached agreement on post-petition financing in the total sum of \$800,000.00 as provided in the Financing Motion. The Financing Motion, subsequently approved by the Interim and Final Orders, provided funding to Debtor based on a budget for costs through September 30, 2009.

7. Thereafter, Debtor sought approval of the Additional Financing in accordance with a budget covering a two-month period commencing on October 1, 2009 and ending November 30, 2009. The Additional Financing entailed increased funding of \$400,000.00, thereby resulting in total post-petition financing of \$1,200,000.00. The Additional Financing was approved in the Additional Financing Order.

8. Following the lapse of the Additional Financing, Debtor sought approval of the Second Additional Financing in accordance with a budget covering a two-month period commencing on December 1, 2009 and ending January 31, 2010. The Second Additional Financing entailed increased funding of \$700,000.00, thereby resulting in total post-petition financing of \$1,900,000.00. The Second Additional Financing was approved in the Second Additional Financing Order.

9. In view of the ongoing need for financing, Debtor sought approval of the Third Additional Financing in accordance with a budget covering a four-month period commencing on February 1, 2010 and ending May 31, 2010. The Third Additional Financing entailed increased funding of \$500,000.00, thereby resulting in total post-petition financing of \$2,400,000.00. The Third Additional Financing was approved in the Third Additional Financing Order.

10. Debtor now requests approval of the Fourth Extension in order to retain authorization for continuing use of the existing post-petition financing through August 31, 2010. No additional funding is requested as Debtor believes that adequate resources will be in place (including unused funds derived from the existing financing) to fund the Budget. The Budget covers a three-month period commencing June 1, 2010 and ending August 31, 2010.

11. Debtor seeks approval of the Fourth Extension pursuant to sections 364 and 105 of the Code. All previously approved terms for adequate protection of Lender and M&I Bank would be maintained. The current financing expires on May 31, 2010 and, in the absence of the requested extension of authorized financing through August 31, Debtor will be deprived of the ability to pay for the indispensable costs set forth in the Budget. In such event, protection of the Project and preservation of its value would be substantially eroded and the bankruptcy estate would be exposed to irreparable damage and loss.

WHEREFORE, Debtor requests the Court to enter its Order approving the relief herein requested and to grant any other relief appropriate under the circumstances.

Respectfully submitted,

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ATTORNEYS FOR DEBTOR

TRILOGY DEVELOPMENT COMPANY, LLC (THE WEST EDGE PROJECT)

ESTIMATED BUDGET THROUGH AUGUST 31, 2010

ITEM	ITEM DESCRIPTION	actual 07/01/09 04/30/10 10 months	BUDGET										BUDGET 08/16/10 08/31/10 2 weeks	ESTIMATED 14-MONTH TOTAL	FUNDED 14-MONTH TOTAL
			05/01/10 05/15/10 2 weeks	05/16/10 05/31/10 2 weeks	06/01/10 06/15/10 2 weeks	06/16/10 06/30/10 2 weeks	07/01/10 07/15/10 2 weeks	07/16/10 07/31/10 2 weeks	08/01/10 08/15/10 2 weeks	08/16/10 08/31/10 2 weeks					
1 GENERAL LIABILITY INSURANCE (AICCO, Inc.) Funded for Item 1			\$ 42,840.18	\$ -	\$ -	\$ 14,280.06	\$ 14,280.06	\$ -	\$ -	\$ 14,280.06	\$ 14,280.06	\$ -	\$ -	\$ 157,080.66	\$ 42,840.18
2 BUILDER'S RISK INSURANCE (Lockton/Travelers) Funded Funded			\$ 632,056.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632,056.00	\$ 632,056.00
3 ELECTRICAL POWER (Kansas City Power & Light) Funded for Item 3			\$ 37,974.64	\$ -	\$ 4,000.00	\$ -	\$ 4,000.00	\$ -	\$ -	\$ 4,000.00	\$ -	\$ -	\$ -	\$ 53,974.64	\$ 37,974.64
4 STORMWATER SERVICE (KCMO Water Services Dept.) Funded for Item 4			\$ 997.52	\$ -	\$ -	\$ -	\$ 175.00	\$ -	\$ -	\$ -	\$ -	\$ 175.00	\$ -	\$ 1,347.52	\$ 997.52
5 ON-SITE SERVICES NEEDED AS OUTLINED BY WALTON and FROM TRILOGY ON-GOING SITE WALKTHROUGHS Funded for Item 5			\$ 638,124.68	\$ 29,969.00	\$ 18,554.00	\$ 24,569.00	\$ 18,410.00	\$ 24,569.00	\$ 13,010.00	\$ 24,569.00	\$ 30,767.44	\$ -	\$ -	\$ 822,542.12	\$ 638,124.68
6 Interest on DIP debt Funded for Item 6			\$ 39,846.51	\$ 10,300.00	\$ -	\$ 12,000.00	\$ -	\$ 12,000.00	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ -	\$ 98,146.51	\$ 39,846.51
7 Marketing/Redevelopment Consultant Funded for Item 7			\$ 156,706.00	\$ -	\$ 15,300.00	\$ -	\$ 300.00	\$ -	\$ -	\$ 300.00	\$ -	\$ 300.00	\$ -	\$ 172,906.00	\$ 156,706.00
8 Legal Fees (including DIP Loans supporting this budget) Funded for Item 8			\$ 85,966.09	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ -	\$ 185,966.09	\$ 85,966.09
9 Annual Prop Tax to Jackson Co./Consultant Fee Funded for Item 9			\$ 553,155.46	\$ -	\$ (297,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,155.46	\$ 553,155.46
10 U.S. Trustee Program - Fees Funded for Item 10			\$ 13,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,875.00	\$ -	\$ 1,950.00	\$ -	\$ -	\$ 19,825.00	\$ 13,000.00
PERIOD ESTIMATED BUDGET/ACTUAL TOTAL			\$ 2,200,667.08	\$ 54,549.06	\$ (219,865.94)	\$ 50,849.06	\$ 62,165.06	\$ 50,849.06	\$ 61,465.06	\$ 50,849.06	\$ 88,472.50	\$ 2,400,000.00	\$ 2,400,000.00		
CUMULATIVE ESTIMATED/ACTUAL TOTAL			\$ 2,200,667.08	\$ 2,255,216.14	\$ 2,035,350.20	\$ 2,086,199.26	\$ 2,148,364.32	\$ 2,199,213.38	\$ 2,260,678.44	\$ 2,311,527.50	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00		
PERIOD FUNDED TOTAL			\$ 2,200,667.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,667.08	\$ 2,200,667.08
CUMULATIVE FUNDED TOTAL			\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08	\$ 2,200,667.08

EXHIBIT

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